


SEALED

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

U.S. DISTRICT COURT NORTHERN DISTRICT OF TEXAS FILED OCT - 2 2012 CLERK, U.S. DISTRICT COURT Deputy 

UNITED STATES OF AMERICA

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FILED UNDER SEAL

vs.

No.

3-12CR-310-N

LAWRENCE DALE ST. JOHN (1)
JEFFREY DALE ST. JOHN (2)
NICOLAS ALFONSO PADRON (3)

INDICTMENT

The Grand Jury charges:

At all times material to this Indictment, unless otherwise specified:

General Allegations

1. The Medicare Program (Medicare) was a federal health care program providing benefits to persons who were over the age of 65 or disabled. Medicare was administered by the United States Department of Health and Human Services through its agency, the Centers for Medicare & Medicaid Services. Individuals receiving benefits under Medicare were referred to as Medicare "beneficiaries."

2. Medicare was a "health care benefit program," as defined by 18 U.S.C § Section 24(b).

3. Physicians, clinics, and other health care providers that provided services to Medicare beneficiaries were able to apply for and obtain a Medicare "provider number."

A health care provider that was issued a Medicare provider number was able to file

claims with Medicare to obtain reimbursement for services provided to beneficiaries. A Medicare claim was required to set forth, among other things, the beneficiary's name and Medicare identification number, the services that were performed for the beneficiary, the date the services were provided, the cost of the services, and the name and identification number of the physician or other health care provider that rendered the services.

4. The Medicare program in Texas was administered by TrailBlazer Health Enterprises, LLC, located in the Dallas Division of the Northern District of Texas, which had a contract with the Medicare program to process claims for reimbursement for medical services, including, but not limited to, care plan oversight (CPO).

5. CPO is the physician supervision of a beneficiary receiving complex or multidisciplinary care as part of Medicare-covered home health services or hospice. In performing CPO, a physician is expected to coordinate an aspect of the beneficiary's care with the home health agency or hospice. In order for a provider to bill for this service, Medicare requires CPO of recurrent physician supervision involving 30 minutes or more of the physician's time per month. CPO services require complex or multidisciplinary care factors involving:

- (a) Regular physician development and/or revision of care plan;
- (b) Review of subsequent reports of patient status;
- (c) Review of related laboratory and other studies;
- (d) Communication with other health professionals not employed in the same practice who are involved in the patient's care;

(e) Integration of new information into the medical treatment plan;

and/or

(f) Adjustment of medical therapy.

6. For billing and reimbursement purposes, Medicare directed providers to describe CPO by using Current Procedural Terminology (CPT) code G0181. CPT codes were shorthand descriptors of services defined by the American Medical Association and widely available to health care providers. CPT code G0181 was defined as the: “Physician supervision of a patient receiving Medicare-covered services provided by a participating home health agency (patient not present) requiring complex and multidisciplinary care modalities involving regular physician development and/or revision of care plans, review of subsequent reports of patient status, review of laboratory and other studies, communication (including telephone calls) with other health care professionals involved in the patient’s care, integration of new information into the medical treatment plan and/or adjustment of medical therapy, within a calendar month, 30 minutes or more.”

The Defendants

7. The defendant, **Lawrence Dale St. John**, owned and operated A Medical House Calls (A Medical). He used the titles of president, secretary, senior case manager and medical liaison. **Lawrence Dale St. John** was not a licensed medical professional and had no medical training. **Lawrence Dale St. John** oversaw every aspect of the company and directed all of the employees.

8. The defendant, **Jeffrey Dale St. John**, son of **Lawrence Dale St. John**, operated A Medical and used the titles of director of operations, chief operations officer, and operations manager. **Jeffrey Dale St. John** ran the daily operations of A Medical and was also involved in making business decisions for the company.

9. The defendant, **Nicolas Alfonso Padron**, was a medical doctor licensed in the State of Texas on or about December 1, 1987, with a primary specialty of family practice. **Nicolas Alfonso Padron** served as medical director for A Medical. **Nicolas Alfonso Padron** received regular compensation from **Lawrence Dale St. John** and **Jeffrey Dale St. John**, through A Medical, for an hourly wage as well as for general duties of medical director and oversight. **Nicolas Alfonso Padron** supplied his unique Medicare national provider identification number to **Lawrence Dale St. John** and **Jeffrey Dale St. John** so A Medical could submit claims to Medicare.

A Medical House Calls

10. A Medical, also known as A+ Medical House Calls and ANM Physician House Calls, was formed by **Lawrence Dale St. John** and others, known and unknown to the Grand Jury, in or about 2009, the exact date unknown to the Grand Jury. On or about July 14, 2009, A Medical submitted applications to Medicare in order to become a credentialed Medicare provider.

11. A Medical provided physician home visits to Medicare beneficiaries. The primary purpose of A Medical was to certify and recertify Medicare beneficiaries for home health services. A Medical did not provide primary care physician services to

Medicare beneficiaries.

12. Once the company established a new patient and conducted a home visit either by **Nicolas Alfonso Padron, Lawrence Dale St. John** or others known and unknown to the Grand Jury, A Medical, at the direction of **Lawrence Dale St. John** and **Jeffrey Dale St. John**, would submit billing for fraudulent claims for CPO.

13. A Medical was originally located at 15330 Lyndon B. Johnson Freeway, Suite 206, Mesquite, Texas. The company moved locations to 609 N. Ebrite Street, Suite 111, Mesquite, Texas. A Medical then moved to 10809 Garland Road Dallas, Texas. Finally the company moved to 3630 Josey Lane, Suite 220, Carrollton, Texas. All A Medical locations are in the Dallas Division of the Northern District of Texas.

Count One
Conspiracy to Commit Health Care Fraud
(Violation of 18 U.S.C. § 1349 (18 U.S.C. § 1347))

14. The Grand Jury adopts, realleges, and incorporates by reference all the allegations set forth in the Introduction of this Indictment.

The Conspiracy

15. Beginning on or about May 2010, the exact date being unknown to the Grand Jury, and continuing through on or about January 5, 2012, in the Dallas Division of the Northern District of Texas, and elsewhere, the defendants, **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron**, did knowingly, intentionally, and willfully combine, conspire, confederate, and agree with each other and with other persons known and unknown to the Grand Jury, to commit certain offenses against the United States, that is, to knowingly and willfully execute, and attempt to execute, a scheme and artifice: (a) to defraud Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b); and (b) to obtain money and property owned by and under the custody and control of Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), by means of materially false and fraudulent pretenses, representations, and promises, in connection with payments for health care services, namely CPO-related services, in violation of 18 U.S.C. § 1347.

The Purpose of the Conspiracy

16. It was part of the conspiracy that **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron** and others, known and unknown to the Grand

Jury, would and did unlawfully enrich themselves by: (a) submitting false and fraudulent claims to Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), for CPO-related services; and (b) concealing from Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), the nature and existence of the conspiracy.

The Manner and Means of the Conspiracy

17. The manner and means by which **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron** and their coconspirators sought to accomplish the purpose of the conspiracy included, among others, the following, all of which occurred in the Dallas Division of the Northern District of Texas, and elsewhere:

18. From on or about May 2010, to January 2012, **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron** engaged in a scheme to defraud Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), by causing the submission of claims for reimbursement for physician CPO under CPT code G0181 that falsely represented to Medicare that physician **Nicolas Alfonso Padron** provided CPO for patients when in fact **Nicolas Alfonso Padron** had not provided any such services.

19. In or about May 2010, the exact date being unknown to the Grand Jury, **Lawrence Dale St. John** and **Jeffrey Dale St. John**, through A Medical, submitted and caused the submission of and payment for fraudulent claims of CPO. During this time, the number of CPO claims submitted to Medicare more than tripled from the CPO claims the company previously submitted. The claims represented that **Nicolas Alfonso Padron** performed CPO for hundreds of patients. From May 2010, claims for CPO submitted by

A Medical to Medicare at the direction of **Lawrence Dale St. John** and **Jeffrey Dale St. John** continued at an increased submission rate through September 2011.

20. On or about August 1, 2010, the exact date being unknown to the Grand Jury, **Lawrence Dale St. John** and **Jeffrey Dale St. John** instructed Person A, a newly-hired employee, to increase billing to Medicare by using CPT code G0181 for CPO. **Lawrence Dale St. John** and **Jeffrey Dale St. John** directed Person A to bill Medicare a large sum each week and to use CPT code G0181 until the monetary goal was reached.

21. **Lawrence Dale St. John** and **Jeffrey Dale St. John** told Person A to pull patient charts and write in information including the date, what type of oversight was performed, and the minutes spent on oversight. All of the information indicated that **Nicolas Alfonso Padron** had performed these services, when in fact he had not conducted any CPO. Person A, at the direction of **Lawrence Dale St. John** and **Jeffrey Dale St. John**, then completed billing information to submit to Medicare falsely representing that **Nicolas Alfonso Padron** provided CPO.

22. On or about September 29, 2010 **Nicolas Alfonso Padron** traveled to Denver, Colorado, and returned on or about October 3, 2010. At the direction of **Lawrence Dale St. John** and **Jeffrey Dale St. John**, A Medical billed for CPO for 47 beneficiaries, all with dates of service while **Nicolas Alfonso Padron** was in Denver.

23. On or about October 16, 2010, **Nicolas Alfonso Padron** was in Galveston, Texas, participating in a two-day 180 mile bike ride around Galveston Bay. A Medical, at the direction of **Lawrence Dale St. John** and **Jeffrey Dale St. John**, submitted or

caused to be submitted 10 claims for CPO with dates of service on October 16, 2010.

24. On or about January 28, 2011, **Nicolas Alfonso Padron** departed to Lima, Peru, and he returned to the United States on or about February 10, 2011. At the instruction of **Lawrence Dale St. John** and **Jeffrey Dale St. John**, A Medical patient charts and billing falsely represented that **Nicolas Alfonso Padron** performed CPO services for 184 Medicare beneficiaries during this time period.

25. **Nicolas Alfonso Padron** took a cruise from on or about June 30, 2011 to July 4, 2011. According to A Medical patient files and billing, **Nicolas Alfonso Padron** conducted CPO for 76 Medicare beneficiaries during this time period.

26. **Lawrence Dale St. John** and **Jeffrey Dale St. John** continued to direct claims be submitted to Medicare containing CPT code G0181 through at least January 5, 2012.

All in violation of 18 U.S.C. § 1349 (18 U.S.C. § 1347).

Counts Two through Fourteen
Health Care Fraud
(Violation of 18 U.S.C. §§ 1347 and 2)

27. The Grand Jury adopts, realleges, and incorporates by reference all the allegations set forth in the Introduction of this Indictment and Count One.

28. For each count listed in the chart below, the defendants **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron**, on or about the date stated, in the Dallas Division of the Northern District of Texas, knowingly and willfully executed the above-described scheme and artifice to defraud and to obtain, by means of materially false and fraudulent pretenses and representations, money and property owned by and under the custody and control of Medicare, a health care benefit program as defined in 18 U.S.C. § 24(b), in connection with the delivery of and payment for health care benefits, items, and services, in that **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron** submitted or caused to be submitted the listed claims for reimbursement knowing those claims were materially false and fraudulent, in that the claims falsely represented that **Nicolas Alfonso Padron** performed CPO when in fact no CPO had been rendered because **Nicolas Alfonso Padron** was out of town on each date of service:

Count Number	Medicare Beneficiary	Date of Service	CPT Code Billed	Amount Billed	Amount Paid
2	E.B.	September 30, 2010	G0181	\$101.14	\$80.91
3	E.R.	October 1, 2010	G0181	\$101.14	\$80.91
4	A.G.	October 2, 2010	G0181	\$101.14	\$80.91

5	A.G.	February 1, 2011	G0181	\$101.14	\$80.91
6	M.A	February 2, 2011	G0181	\$101.14	\$80.91
7	M.M.	February 2, 2011	G0181	\$101.14	\$80.91
8	C.O	February 2, 2011	G0181	\$101.14	\$80.91
9	E.R.	February 2, 2011	G0181	\$101.14	\$80.91
10	A.G.	July, 1, 2011	G0181	\$101.14	\$80.91
11	M.A.	July 4, 2011	G0181	\$101.14	\$80.91
12	M.M.	July 4, 2011	G0181	\$101.14	\$80.91
13	C.O.	July 4, 2011	G0181	\$101.14	\$80.91
14	E.R.	July 4, 2011	G0181	\$101.14	\$80.91

All in violation of 18 U.S.C. §§ 1347 and 2.

Forfeiture Notice
(18 U.S.C. § 982(a)(7))

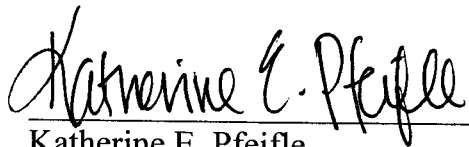
Pursuant to 18 U.S.C. § 982(a)(7), upon conviction for any of the offenses charged in Counts One through Fourteen of this Indictment, the defendants, **Lawrence Dale St. John, Jeffrey Dale St. John** and **Nicolas Alfonso Padron**, shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the respective offense.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), if any of the above-referenced property subject to forfeiture, as a result of any act or omission of any of the defendants, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of the defendants up to the value of the previously-described property subject to forfeiture.

A TRUE BILL


FOREPERSON

SARAH R. SALDAÑA
UNITED STATES ATTORNEY



Katherine E. Pfeifle
Assistant United States Attorney
Texas State Bar No. 24041912
1100 Commerce Street, Third Floor
Dallas, Texas 75242
Telephone: (214) 659-8693
Facsimile: (214) 659-8805
Email: katherine.pfeifle@usdoj.gov

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

LAWRENCE DALE ST. JOHN (1)
JEFFREY DALE ST. JOHN (2)
NICOLAS ALFONSO PADRON (3)

SEALED INDICTMENT

18 U.S.C. § 1349 (18 U.S.C. § 1347)
Conspiracy to Commit Health Care Fraud

18 U.S.C. §§ 1347 and 2
Health Care Fraud

18 USC § 982(a)(7)
Forfeiture Notice

14 Counts

A true bill rendered

DALLAS


FOREPERSON

Filed in open court this _____ day of October 2012

Clerk

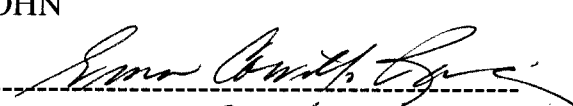
Issue Arrest Warrants for: LAWRENCE DALE ST. JOHN

Issue Arrest Warrants for: JEFFREY DALE ST. JOHN

In Custody – NICOLAS ALFONSO PADRON

UNITED STATES DISTRICT/MAGISTRATE JUDGE

No pending Criminal Complaint


10/2/12

ORIGINAL

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

RELATED CASE INFORMATION

Superseding Indictment/Information: ☐ Yes ☒ No
New Defendant: ☒ Yes ☐ No
Pending CR Case in NDTX: ☐ Yes ☒ No

If Yes, Number: _____
Search Warrant Case Number: _____
Rule 20 from District of _____

1. **Defendant Information**

Juvenile: ☐ Yes ☒ No

If Yes, Matter to be SEALED:

☒ Yes ☐ No

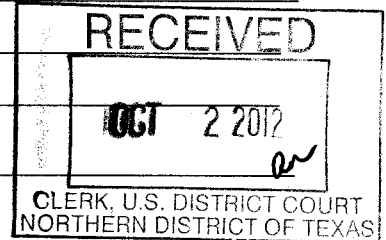
3-12CR-310-N

Defendant Name LAWRENCE DALE ST. JOHN (1)

Alias Name _____

Address _____

County in which offense was committed: Dallas



2. **U.S. Attorney Information**

Katherine E. Pfeifle

Bar #: TX 24041912

3. **Interpreter**

☐ Yes ☒ No If Yes, list language and/or dialect: _____

4. **Location Status – ISSUE ARREST WARRANT**

☐ Already in Federal Custody as of _____
☐ Already in State Custody _____
☐ On Pretrial Release _____

5. **U.S.C. Citations**

Total # of Counts as to This Defendant: 14 Petty ☐ Misdemeanor ☐ Felony ☒

Citation	Description of Offense Charged	Count(s)
18 U.S.C. § 1349 (18 U.S.C. § 1347)	Conspiracy to Commit Health Care Fraud	1
18 U.S.C. §§ 1347 and 2	Health Care Fraud	2-14
18 U.S.C. § 982(a)(7)	Forfeiture Notice	

Date 10/1/12

Signature of AUSA: K. Pfeifle

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

RELATED CASE INFORMATION

Superseding Indictment/Information: ☐ Yes ☒ No
New Defendant: ☒ Yes ☐ No
Pending CR Case in NDTX: ☐ Yes ☒ No

If Yes, Number: _____
Search Warrant Case Number: _____
Rule 20 from District of _____

1. Defendant Information

Juvenile: ☐ Yes ☒ No

If Yes, Matter to be SEALED:

☒ Yes ☐ No

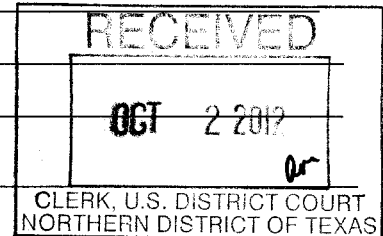
8-12CR-310-N

Defendant Name JEFFREY DALE ST. JOHN (2)

Alias Name _____

Address _____

County in which offense was committed: Dallas



2. U.S. Attorney Information

Katherine E. Pfeifle

Bar #: TX 24041912

3. Interpreter

☐ Yes ☒ No If Yes, list language and/or dialect: _____

4. Location Status – ISSUE ARREST WARRANT

☐ Already in Federal Custody as of _____
☐ Already in State Custody _____
☐ On Pretrial Release _____

5. U.S.C. Citations

Total # of Counts as to This Defendant: 14 Petty ☐ Misdemeanor ☐ Felony ☒

Citation	Description of Offense Charged	Count(s)
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18 U.S.C. §§ 1347 and 2	Health Care Fraud	2-14
18 U.S.C. § 982(a)(7)	Forfeiture Notice	

Date 10/1/12

Signature of AUSA: K. Pfeifle

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS

ORIGINAL

RELATED CASE INFORMATION

Superseding Indictment/Information: ☐ Yes ☒ No
New Defendant: ☒ Yes ☐ No
Pending CR Case in NDTX: ☐ Yes ☒ No

If Yes, Number: _____
Search Warrant Case Number: _____
Rule 20 from District of _____

1. Defendant Information

Juvenile: ☐ Yes ☒ No

If Yes, Matter to be SEALED:

☒ Yes ☐ No

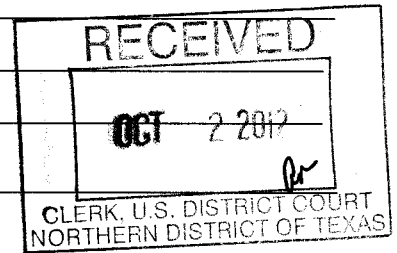
8-12CR-310-N

Defendant Name NICOLAS ALFONSO PADRON (3)

Alias Name _____

Address _____

County in which offense was committed: Dallas



2. U.S. Attorney Information

Katherine E. Pfeifle

Bar #: TX 24041912

3. Interpreter

☐ Yes ☒ No If Yes, list language and/or dialect: _____

4. Location Status

☒ Already in Federal Custody as of 06/20/2012 FCI Seagoville
☐ Already in State Custody
☐ On Pretrial Release

5. U.S.C. Citations

Total # of Counts as to This Defendant: 14 Petty ☐ Misdemeanor ☐ Felony ☒

Citation	Description of Offense Charged	Count(s)
18 U.S.C. § 1349 (18 U.S.C. § 1347)	Conspiracy to Commit Health Care Fraud	1
18 U.S.C. §§ 1347 and 2	Health Care Fraud	2-14
18 U.S.C. § 982(a)(7)	Forfeiture Notice	

Date 10/1/12

Signature of AUSA: K. Pfeifle